

THE UNITED ARAB EMIRATES

WARMLY WELCOMING U.S. BUSINESSES

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The United Arab Emirates, rich in reserves of oil and hospitality, holds several commercial advantages. The federation has a small, stable, and multicultural business environment in which U.S. firms may find strong interest in their products and services.

Expatriates and local hosts in the United Arab Emirates were stunned by the tragic events of September 11, 2001. Emirati friends and business contacts expressed their horror and sympathy. Since then there are daily reminders that the locals are extremely conscientious in protecting expatriates, who constitute about 85 percent of the population.

THE UNITED ARAB EMIRATES

Total area: 82,880 square km (a little smaller than Maine)

Population: 3.1 million

GDP by sector: industry 52%, services 45%, agriculture 3%

Main industries: petroleum, fishing, petrochemicals, construction materials, boat building, handicrafts, pearling

Exports: crude oil, natural gas, re-exports, dates, dried fish

Imports: machinery and transportation equipment, chemicals, food

Languages: Arabic (official), Farsi, English, Hindi, and Urdu. English is used widely in business.

Sources: U.S. Department of Commerce, CIA.

Hospitality is a strong factor in the way UAE nationals treat their guests. Since September 11, Emirati hospitality and protectiveness toward its Western residents have flourished. UAE nationals and residents have, however, resumed business as usual.

PROSPERITY AND DIVERSITY

Sitting atop one tenth of the world's oil, the United Arab Emirates has a group of young nationals who are pragmatic, apolitical, and business minded. The United Arab Emirates offers considerable stability in this varied region. Wealth is well distributed among Emiratis. Per capita GDP is close to that of the most affluent nations of Western Europe.

Expatriates from more than 100 countries compete to work here, given their ability to earn, save, and send money home to their families in countries ranging from the Philippines to South Africa. Foreigners live and work in the United Arab Emirates in harmony: Pakistanis, Afghans, Indians, Iranians, Lebanese, Egyptians, Europeans, North Americans, and East Asians. Religiously, the expatriate community is also diverse, with Christian, Hindu, Shia and Sunni Muslim, Sikh, Buddhist, and Baha'i adherents, among others.

Since last September, all scheduled trade shows for both Dubai and Abu Dhabi have taken place, including the International Furniture and Interior Design Exhibition (INDEX), the Dubai Air Show, and the information

technology exhibition, GITEX. All had U.S. exhibitors, who were very glad they participated. These exhibitors received excellent attention and publicity, even better since September 11 than before. Meanwhile, Europeans have resumed their business travel to the United Arab Emirates, and as a result they are having a field day with contracts.

There are benefits to the "business as usual" approach. For example, one U.S. state cancelled its large INDEX booth, but three U.S. companies did participate, and they received unprecedented free media coverage.

All the major and some smaller computer companies exhibited at GITEX. The U.S. firms stated that the crowds and level of interest in their software, solutions, and hardware was on par with the previous show's turnout and interest. Many sent their Europe-based officials to staff the show, rather than flying them from the United States.

For the 7th Dubai Air Show, 35 of the original 43 U.S. aerospace, avionics, and defense companies exhibited in person, and 15 aerospace companies sent literature for display. The United States had an official delegation composed of U.S. commercial and military representatives. Several U.S. companies walked away with orders, including Cubic, Space Imaging, and Boeing. Boeing secured a letter of intent for more than \$6 billion in aircraft to be delivered to Emirates Airline between 2004 and 2010.

STABILITY IS THE NORM

The United Arab Emirates has always been safe. Since September 11, 2001, street crime and violence against Western residents and visitors remains virtually unknown. Of the 11 foreign countries where this commercial officer has lived and worked, this is undoubtedly the safest. The UAE government, which values its political, economic, and commercial ties with the United States, is eager to preserve this developing bilateral relationship. Since September 11, there have been no violent actions against the 15,000 U.S. citizens living here. Nor have any terrorist incidents taken place within the United Arab Emirates directed against any nationality.

The Commercial Service has learned of only three U.S. companies that have removed personnel from the United Arab Emirates. Two temporarily moved some key management personnel, European nationals, to Europe, but now they are all back. The third has for financial reasons closed its business development offices in many locations, including Abu Dhabi. American business groups in both Dubai and Abu Dhabi remain active and continue to brief U.S. business travelers on the realities of exporting to the Persian Gulf and the rest of the Middle East, the former Soviet Union, Africa, and Central Asia using the United Arab Emirates as a regional base.

FEWER BUSINESS TRAVELERS, MORE BUSINESS OPPORTUNITIES

Except during large trade events such as GITEX and the Dubai Air Show, Dubai and Abu Dhabi's many five-star hotels have suffered a decrease in occupancy rates since September. As a result, luxury accommodations are available for \$85 to \$100 a night.

Commercial officers at the U.S. embassy in Abu Dhabi and U.S. consulate in Dubai have designated medical equipment and related health services as one of four primary sectors

for U.S. exporters for 2002. September 11 has not changed this. It has only decreased the number of U.S. competitors who are willing to travel to the region, making the sales opportunities greater for those who do.

There are a number of ways that U.S. firms can pursue commercial opportunities within the UAE, one of which is the embassy's Gold Key program. Exporters can meet with four to five local clients, distributors, and agents per day, all prescreened by commercial specialists. It is great value for money, as is the company-to-company video-conferencing service, through which U.S. exporters can meet their clients in the United Arab Emirates without leaving the United States.

The choice to travel to the United Arab Emirates, to participate in world-class shows or make sales presentations to customers who prefer American products and technology, is simple. Unless things change drastically, once here U.S. companies will have a warm welcome and an assured interest in their services and products.

For more information about doing business in the United Arab Emirates, see the latest Country Commercial Guide at www.usatrade.gov, under market research, or e-mail Abu.Dhabi.Office.Box@mail.doc.gov, with a carbon copy to Dubai.Office.Box@mail.doc.gov. ■

ADIPEC 2002

October 13-16, 2002
Abu Dhabi

This is the 20th Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC). Organized every two years, ADIPEC is the premier oil and gas event in the Middle East and North Africa, and one of the largest in the world. ADIPEC 2000 had 867 exhibitors from 41 countries. There were 13,589 professional visitors, most of whom were decision-makers and high-ranking officials from around the world.

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ARAB HEALTH

January 26-29, 2003
Dubai

Arab Health is the premier Middle Eastern health care exhibition and conference. Arab Health includes medical equipment and services. Expectations are that the U.S. pavilion will be well attended as always. For more information about exhibiting at Arab Health, contact the organizer for the U.S. pavilion.

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DUBAI AIR SHOW 2003

December 7-11, 2003
Dubai

This is the largest air show in the region. The last event drew more than 450 exhibitors from 33 countries in Europe, the Middle East, South Africa, and the Far East. In addition to individual exhibitors, there were 10 national/industrial pavilions.

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